

SCHOOL BUILDING AUTHORITY

PERSONAL SERVICES

Salary Review

Recent policy revision and agency reorganization have prompted a review of our current staff salaries. The Agency practice of salary reviews has been somewhat arbitrary and our historic salary adjustments have not followed any salary-structured schedule, as many other agencies have in place. Other state agencies have built in salary schedules that compensate employees based on years' service and performance. The School Building Authority until 2005 performed annual reviews of the agency salaries and tracked the Department of Education's salary schedules. However, staff members have not received a pay increase from the Authority since 2005. The agency has lost several qualified people due to the lack of attention to employee compensation. Between 1989-2005 only two staff members left the Agency. Since 2005 six staff members have left for other job opportunities, this has occurred due to our failure to address exemplary job performance and salary inequities. We are now requiring staff to accept additional job duties beyond their original job descriptions as we bring more and more services in-house that have traditionally been performed by private consultants. These factors along with the Authority's request for a review of staff salaries have lead me to a review and reassessment of our current staffing and salary compensation.

INCREASED STAFF RESPONSIBILITIES

The 2010 Educational Efficiency Audit of West Virginia made several recommendations concerning improving the efficiencies of the agency services. The first audit recommendation was to bring services in house that were being performed by contracted professional consultants. The Authority has shown support for these recommendations and on September 28, 2015, the new Policies and Procedures were approved by the Authority that began implementing those recommendations. New procedures will require the SBA staff to create the educational specification for all projects that would otherwise be prepared by these contracted professional consultants. The creation of these documents require a significant amount of staff time and travel to county boards of education offices and will require daily travel and many evening meetings with educators and community leaders to prepare the educational specifications documents needed to design new schools. This process requires special training, National certification and a tremendous amount of additional accountability among staff members.

Additionally, other staff members will be assuming greater job responsibilities brought on by the policy revisions and agency reorganization as we play a greater role in the design and construction phase of the projects. We will be providing in-house checks and balances with regards to controlling the project scopes; budget and project schedule and this will afford the Authority the ability to control cost and cost overruns. Bringing these services in-house will save the agency \$235,000 in direct costs next year and this amount will typically be saved each year thereafter. This is a very realistic savings based on a typical annual project funding cycle of \$125,000,000 with local and SBA funding.

REVISED JOB DESCRIPTIONS

We have revised job descriptions to reflect the increased responsibilities with staff support and the Authority approved the increased work responsibilities during the September 28, 2015 Quarterly Meeting. The above referenced services are required by State Board Policy, SBA Policy and are within our Legislative rules for the Agency. However, in lieu of paying contracted consultants to perform these services the SBA staff will now perform this work as part of their additional duties assigned in their revised job descriptions.

JOB PERFORMANCE EVALUATION

We have also set in place an annual employee evaluation process that will require job performance reviews each year. For the first time in our twenty-five year history we are requiring staff to perform services we have been compensating outside consultants to perform, these services have now been incorporated into each staff members' job description and the expectation is that the internal staff will be providing these services. Additionally, for the first time since the Agency was created we have formalized an employee Job Performance Evaluation Process. This annual review of each employee's Job Performance will be used to incentivize staff to continue to grow in their career, have the opportunity to be recognized for meritorious job performance and to be compensated for performing their duties at a level of performance that merits continued employment and/or salary compensation. This evaluation will be performed by the supervisory staff of the SBA with an opportunity for each employee to review their evaluation and to this place a response to their evaluation in their file when the employee disagrees with the evaluation. This process will begin in 2016.

STAFF COMPENSATION

Our Planning and Construction Services we are now providing in-house will affect each staff member. We have already begun the first phase of requiring staff to become certified in their areas of responsibility and to participate in continuing education to perform these services efficiently in the future. We are asking our staff members to assume greater responsibilities and I feel compelled to recommend we provide salary adjustments that reflect the additional duties we have assigned. Should this occur we would not request any increase in our operating budget nor will this have any effect on the state's operating budget. These funds are already earmarked for salaries but have not been used since 2005 for this purpose. We have been very arbitrary when dealing with this issue. Salaries should be based on the value of the services provided and the performance evaluation of the staff member providing the services. Any other process creates a work environment where employee turnover occurs or complacencies creep into the office because employees feel their value is not compensated. I have researched private and other state agency's salaries as well as procedures other agencies are using to establish salary schedules and salary reviews. Based on our review I respectfully recommend that we adopt a salary schedule for new and existing employees that are commensurate with other agency procedures. In addition, given the specialized job responsibilities several members of our staff perform, this salary schedule considers similar private sector salary positions performing the exact same responsibilities.

We realize we are not working in a vacuum and salary adjustments must be within reason and should only be provided within the current operating budget. If it is, the desire of the Authority to establish formal Job Descriptions and an Employee Evaluation process it should also be our desire to provide employees feedback regarding employee compensation for continued high-level work performance. Our Personal Service Budget approved by the Authority and by the Legislature annually was established for this purpose. Given all these prerequisites are now in place we should establish a formal compensation schedule for our current and future staff.

To accomplish this the following has been considered and any future employee compensation, approved should:

- Not require an Improvement Package in our Current Budget
- Not increase our current Operating Cost
- Mirror other State Agencies Compensation Schedules
- Establish incentives for Staff Development and encourages Continuing Education
- Connect salary increases to not only years' experience but also job performance
- Provide compensation for new job responsibilities assigned in 2015
- Compensate for some of the salary lost to inflation and increases in insurance costs over the past ten years
- Create a stable salary schedule without arbitrary road blocks that will allow staff to plan their careers in state government or to return to the private job market

SALARY SCHEDULE MOVING FORWARD

Beginning in FY2016 employees will be evaluated annually and that their continued employment and salary would be based on their experience, job performance and tenure with the agency. To address the salary gap lost in the last ten years where the Authority has not provided salary increases and to provide some compensation for increased job responsibilities I would recommend that the 2016 salary adjustment go into effect January 1, 2016. I would further recommend that employees be provided an incentive to reach their maximum salary potential if they stay with the agency, continue their training and certifications related to their job responsibilities and receive satisfactory job performance evaluations over time by creating a salary range for each Job Description. Employees that perform their duties admirably and continue to become more valuable over time should expect a minimum growth in their salary from beginning employment through twenty (20) plus years of service of 25%. If we consider our own careers this growth rate in salary is very reasonable but only occurs if job performance is growing as well. Once the salary schedule is approved the Department Heads and the Executive Director would review each employee's Annual Job Performance, years' experience and salary adjustments would be made as employees reach milestone dates in service, and continue satisfactory job performance.

A recommended Salary Schedule will be provided to the Personnel Committee and the Full Authority for their review and consideration.